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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER E-2-13**

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**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**Filing by British Columbia Hydro and Power Authority
Amendment to BC Hydro Electricity Purchase Agreement with Tembec, a general partnership
for the Skookumchuk Power Project**

BEFORE: L.F. Kelsey, Commissioner
C.A. Brown, Commissioner February 21, 2013
C. van Wermeskerken, Commissioner

O R D E R

WHEREAS:

- A. Pursuant to section 71 of the *Utilities Commission Act*, on August 3, 2012, British Columbia Hydro and Power Authority (BC Hydro) filed the following amendment (Amendment) to the existing energy supply contract that was previously filed with, and accepted by, the British Columbia Utilities Commission (Commission):

EPA Amendment

Project	Seller	Amendment Effective Date
Skookumchuk Power Project	Tembec, a general partnership	March 30, 2012

- B. Appendix A provides a summary of the Amendment. Included with the Application, BC Hydro submitted Attachment 4, Schedule B - Summary of EPA Contractual Developments, that sets out certain contractual developments related to other electricity purchase agreements that BC Hydro considers are not amendments to the agreements, and which are listed in Appendix B to this Order;
- C. BC Hydro filed an Application to amend Tariff Supplement No. 74 on November 2, 2012, after this Application was filed with the Commission;
- D. BC Hydro states in the filing that, in their view, the financial impact, if any, of the Amendment on BC Hydro and its ratepayers is low;

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E. The Commission considered the Application by BC Hydro in relation to section 71(2.2) of the *Utilities Commission Act*;

F. The Commission has reviewed the filing and determined that the Amendment is in the public interest.

NOW THEREFORE, given that the financial impact, if any, of the Amendment on BC Hydro and its ratepayers is low, pursuant to section 71 of the *Utilities Commission Act*, the Commission orders that the BC Hydro Electricity Purchase Agreement Amendment with Tembec for the Skookumchuk Power Project, effective March 30, 2012, is accepted for filing.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of February 2013.

BY ORDER

Original signed by:

L.F. Kelsey
Commissioner

Attachments

**British Columbia Hydro and Power Authority
Amending Agreement No. 1 to Electricity Purchase Agreement**

Schedule A

SUMMARY OF EPA AMENDMENTS

	Project Name	Seller Company Name	Effective Date of Agreement	Document Type	Regulatory Acceptance Date	Description
1	Skookumchuk Power Project	Tembec, a general partnership	March 30, 2012	Amendment Agreement No. 1	On or before October 31, 2012	To amend Tembec's non-firm energy off-set rights under section 3.8 of Appendix 3 of the EPA. .

**British Columbia Hydro and Power Authority
Electricity Purchase Agreements
Contractual Developments for Information**

SUMMARY OF EPA CONTRACTUAL DEVELOPMENTS

	Project Name	Seller Company Name	Effective Date of Agreement	Document Type	Description
1	East Twin Creek Hydro	Valemount Hydro Limited Partnership	October 31, 2011	Waiver Letter	The Seller was granted additional time (until March 31, 2012) to sign a new interconnection agreement; this agreement has now been signed.
2	NWE Williams Lake WW	NW Energy (Williams Lake) Limited Partnership	November 2, 2011	Assignment and Assumption Agreement	Assignment of EPA to CPI Preferred Equity Ltd.
3	Mamquam Hydro	Coastal Rivers Power Limited Partnership	November 2, 2011	Assignment and Assumption Agreement	Assignment of EPA to CPI Preferred Equity Ltd.
4	Moresby Lake (QCPC)	Coastal Rivers Power Limited Partnership	November 2, 2011	Assignment and Assumption Agreement	Assignment of EPA to CPI Preferred Equity Ltd.
5	McNair Creek Hydro	McNair Creek Hydro Limited Partnership	December 6, 2011	Consent Letter	Consent to deemed assignment due to change of control for parent company whereby shares of Pacific Northern Gas were purchased by AltaGas Ltd.
6	Dokie Wind	Dokie General Partnership	February 1, 2012	Waiver Letter	To waive for a period of time BC Hydro's termination right for Seller's failure to secure a Material Permit by the first anniversary of COD (February 16, 2012). Given that Seller has applied for the subdivision permit, the termination right was extended to August 15, 2012 and has been extended further to November 15, 2012.
7	NWE Williams Lake WW	CPI Preferred Equity Ltd.	February 1, 2012	Name Change	To change name of parent company from CPI Preferred Equity Ltd. to Atlantic Power Preferred Equity Ltd.
8	Mamquam Hydro	CPI Preferred Equity Ltd.	February 1, 2012	Name Change	To change name of parent company from CPI Preferred Equity Ltd. to Atlantic Power Preferred Equity Ltd.
9	Moresby Lake (QCPC)	CPI Preferred Equity Ltd.	February 1, 2012	Name Change	To change name of parent company from CPI Preferred Equity Ltd. to Atlantic Power Preferred Equity Ltd.
10	Dokie Wind	Dokie General Partnership	February 23, 2012	Notice of Exercise of Contractual Right	Election to increase Seasonally Firm Energy Amount by 10%, which takes effect May 1, 2012.
11	Kwoiek Creek	Kwoiek Creek Resources Limited Partnership	April 11, 2012	Waiver	BC Hydro agreed to temporarily waive its termination rights for failure to obtain Material Permits and failure to reach COD conditional upon Seller providing evidence that it has secured financing for the project and delivering letters from independent engineers showing attainment of construction milestones. By way of a letter agreement dated June 27, 2012, the deadline for providing evidence regarding financing and construction milestones was extended by two months to August 31, 2012.

	Project Name	Seller Company Name	Effective Date of Agreement	Document Type	Description
12	Dokie Wind	Dokie General Partnership	May 1, 2012	Dispatch Agreement	Under section 7.11 of the EPA, BC Hydro can turn down the Dokie plant if it determines that energy generated will create a risk of material adverse impact to BC Hydro's generating facilities. The purpose of this 1-year dispatch agreement is to elaborate upon the process under which BC Hydro would exercise its turn-down rights.
13	Skookumchuk Power Project	Tembec, a general partnership	May 1, 2012	Notice of Exercise of Contractual Right	Under section 7.10 of the EPA, Tembec has the right to modify the Annual Firm Energy Amount at any time on or before the 3 rd anniversary of the Commencement Date. On March 30, 2012 Tembec notified BC Hydro that it would be increasing its Annual Firm Energy Amount effective as of May 1, 2012.
14	Jamie Creek	C-Free Power Corp.	May 25, 2012	Assignment, Assumption and Consent Agreement	The Seller assigned the EPA to Sequoia Energy Inc., the purchaser of substantially all of its assets.
15	Kemano	Rio Tinto Alcan Inc.	June 7, 2012	Waiver	Rio Tinto Alcan waived certain scheduling, spill priority and other contractual rights in respect of the exercise of Coordination Services by BC Hydro under Appendix 4 of the EPA during the June/July 2012 shut-down of the Kemano penstocks as part of the preparatory work for the Kitimat Modernization Project. BC Hydro did not end up using the Coordination Services.